

## CORRESPONDENCE.

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## National and Inter-National Money.

MR. EDITOR: Allow me to add a few more words upon the above subject.

The sum and substance of the crusade against our silver money is the fact—it won't pay a debt in a foreign country at its face value; that is, it is not an inter-national money.

The difference between an inter-national and a national money is: The first requires 100 cents to the dollar *bullion value*, and the latter 100 cents to the dollar *legal value*. If these values are wisely maintained, both moneys will pass where intended without depreciation.

The law-makers that gives to national money its powers and usefulness cannot make that money inter-national, as their powers are limited to the ocean shore of our Islands. Our currency should not be disturbed until there is shown a positive necessity for so doing—as money is as much the life of business as bread is the life of the physical man.

It seems unwise to depreciate our silver money, either by the acts of the Government or the Legislature, when the great complaint against it now is its *want of value*. If an argument could be found to justify the demonetising of our silver money, and expelling it from the country by process of law, we would like to see it. If it could be shown that better days' work would be done with a gold currency than is now done with silver, we would like to see that demonstrated. It is labor that creates our wealth, and no one has yet refused silver for labor; everybody accepts it—no one complains, no one loses. A national currency that passes from citizen to citizen without depreciation must be considered No. 1. The Government should receive for all dues any legal tender that may be offered; if she has need of gold let her buy it to satisfy her necessities. If she wanted pork or poi to feed her soldiers, she would buy it. Let her do the same when wanting gold, and not create confusion by demanding it at the Custom House when it is used nowhere else.

Let the industries be supplied with enough legal tender silver money, and encourage the producers with assistance in making and improving roads, landings, water ditches, &c. Also, grant assistance to new industries—the cultivation of ramie and other crops. This course would, in a few years, enable us to export more values, and thus "regulate exchange" in the only legitimate way it can be done, save by importing less. Such, however, is not as satisfactory as to increase exports, which always indicates prosperity and business at home—just what every citizen wants.

Would \$75,000 paid abroad for gold add anything to production here? Quite the contrary; every cent of it would be taken from the earnings of industry.

If our present Legislature should organize a "Banking Department" of this Government, and place it in charge of competent officers, with full authority under the laws of the Kingdom of supplying a currency for home use, they will do their duty to the people in this matter, and not otherwise. To leave such an important matter as a home currency at loose-ends, or farm it out to corporate monopoly, would be committing an outrage against the people's rights. A Banking Department, rightly organized, would pay its own way, and help sustain other departments, and relieve the people of that much tax. It will cost nothing to start such a bank, only for buildings and preparations; and, if the plan is correctly followed, it will give us a better national currency than any other civilized nation enjoys today.

One says: "That is all well enough; but we can't trust the Government." What an idea! Is it not in the power of the Government now? Don't we trust the Government with all the national business—assessing, collecting, and spending millions of revenue and taxes, borrowing money, directing the post-office, foreign correspondence, &c., and yet can't trust them to supply the people with a home currency. Besides, the Government in this case is the people; they elect the law-makers, and the law-makers appoint the bank officers. Can't you trust the people as well as you can corporate monopoly? If the officers should appropriate to themselves a part of the profits, which would be almost an impossibility under the plan mentioned above, a corporation would absorb all. The first would give us a currency always adequate in amount, never too much or too little, and all parts of it worth 100 cents to the dollar; while the latter, supplying only a part of our currency, will complicate and confuse, and, periodically, a broken bank would have to be wound up, creating confusion and loss to business as well as a direct loss to depositors, and perhaps bill holders, whereas the people's bank could never be broken, the more money drawn from it the richer it would become. I ask law-makers which would be the better bank to establish, now you have the opportunity, a people's bank or a corporate monopoly bank. We say, by all means, give us a people's bank, for if you should not get the law controll-

ing it perfect at first, you could improve it from time to time until comparative perfection is attained. In fact, the system above hinted at contains the principles of self-protection. But suppose you enact a national banking law as imperfect as the system now in use in the United States, could you perfect it? Could you enter into their secret councils, or discharge them or their officers if incompetent or corrupt? No, you could not.

Could any good possibly come to either Government or people from a corporate monopoly bank? It would not be an industry, but a legal function of the national government it would be using. Exercising its powers and enjoying the profits.

I hold myself competent to prove to any body of intelligent men that what I have claimed and what I here claim on behalf of a people's bank—or a Government banking department, is true.

And we think our law-makers should call a halt before making any more doubtful currency laws. Until they look into this system of Government banking, and not let tradition or seekers of monopoly interfere with their constitutional duties, nor wait until the Legislature is made up largely of corporate bank owners, and franchise monopolists hold the people's rights, never to be returned to them, then it will be too late; now is your opportunity; now is the accepted time to look into and adopt this system for the good of both Government and people.

If the Government wanted money they could borrow it of the people's bank, provided the Legislature gave them a right to do so. Thus would cease all foreign absorption of Government bonds and other advantages to numerous to mention here. We now have an "Executive Department," a "Judicial Department," Post-office, Interior, Finance and other Departments, besides numerous "Boards."

MR. EDITOR: Referring to Mr. Spreckels' remarks made at the Y. M. C. A. last month, he might well have caused some people to reflect, and ask if he was not right, in which he said he being unable to express himself more fully, concluded by saying: "Time will tell that the old man was right." If you will grant me the necessary space, I will undertake to show that the proposed Currency Bill is unjust, ruinous and absurd.

For years we have passed Mexican dollars; if we speak of a dollar, we mean nothing else. All our debts have been contracted in that currency. Now we pass a law which forces all debtors to pay their debts with American gold dollars. Eighty-nine gold dollars are worth one hundred silver dollars, for the 100 silver dollars which the debtor received from the creditor he has to pay back 112½ of the same coin. All debts, all credits, everything expressed in dollars, is increased by 12½ per cent. Let us take the case of a man who, during this year, mortgaged his property for \$1000, payable in one year, with 10 per cent. interest. He received \$1000 Mexican; he has to pay back 1100 United States gold dollars; the last expressed in Mexican dollars amount to \$1237 50. The debtor has to pay 23½ per cent. interest. Or, take the case of a plantation which has, during the last year, incurred a debt of \$10,000 to its agent. The advances of the agent consisted in silver coin, either sent directly to the plantation, or paid for drafts, and in supplies paid for in silver coin. After the first day of December, the plantation will have to pay \$10,000 in gold coin. The debt is increased 12½ per cent. If the plantation had now in hand \$8900 in gold it could exchange them for \$10,000 in silver, and the agent would receive them in full payment for its debt. But the Currency Bill goes even further in its favor to the capitalist. Section 8: "All outstanding silver certificates shall be redeemed at their nominal value in United States gold coin." There it makes the capitalist a present of 12½ per cent. on his capital, and the State (all of us) have to pay it. For instance: Let a capitalist have \$100,000 exchange on San Francisco to sell on the first day of July, he will receive 112,500 Mexican dollars for it. These he deposits in the Hawaiian Treasury, and receives silver certificates for them. Now he loans these out at four months at 3 per cent. On the first day of December he has received them back, and goes to the Hawaiian Treasury to draw out \$112,000 gold coin; besides, he has \$375 interest—altogether \$115,875—the result of the manipulation of \$100,000 during five months, or 38 per cent. per annum.

Gentlemen of the Legislature, how did you dare to pass this law, which so shamelessly favors the capitalist and the creditor, and skins the debtor? The laws should be just before all things. Was not the "old man" right when he called it a blot on our statutes? That this law directly ruins the debtor is, by the above-stated example, clear enough. It also ruins, indirectly, every industrial

undertaking working for export. Mr. Hyman said: "Our imports, amounting to \$5,000,000, at 8 per cent. exchange, cost the consumer \$400,000 extra." Shipping bullion would cost \$15,000. Here we will have a saving to the consumer of \$385,000 per annum. This charge of 8 per cent. falls on every person in the country. Yes, on every person in the same ratio in which he is a consumer of imported goods, and he feels it severely. But to whom does this \$400,000 go? The importer pays his exchange through the banker to the exporter, and he, the agent of the producer, hands it over to him. The \$400,000 paid for exchange is transferred from the consumer of imported goods to the producer of exports. The first is discouraged, the last encouraged. Exchange is the natural remedy to balance imports and exports. To interfere with its natural play injures the finance of the State. Under the present circumstances where the undertaker of a plantation, working as hard as any of his employees, does not only lose his interest on capital invested, but sees this capital dwindling away—in the same time that his direct and indirect employees earn as high wages as each kind of people do anywhere else, this transferring of \$400,000 per annum through exchange from the pockets of the consumers to the pockets of the industrial undertaker was not only expedient, but just. The planter cannot lower the wages of his employees, and especially he cannot lower the wages of his indirect employees, such as clerks and government officers. The high exchange came naturally to help him, and now a wise Legislature forces him to pay taxes to put his friend down.

Gentlemen of the Legislature, did you intend to ruin the plantations, the debtors, and with them everybody else?

A law is absurd if it defeats its own purpose. The gold law intends to make the Hawaiian currency equal to the currency of the United States. During next year the silver coin of the United States and paper-money of equal value will be the only currency in the United States. We do not need to go up, they will come down to us. They will come surely, what if it should take a year longer?

It were better if the Mott Smith gold-silver hybrid should be as quietly ignored as the absurdity which has hitherto existed in our statute book is, but with the present temper of our moneyed men that is not probable. If the law is enforced, there will be use for only \$400,000 silver; for \$600,000 there will be absolutely no use. The holders of it will not want to let it lie idle; they will force it into circulation even at a discount. Or look at it from the other side. Mr. G. gets down an invoice of boots and shoes for \$2,000. He retails them; each pair sells for less than \$10. He receives only silver coin. Wanting to pay his bill in California, he seeks to exchange his silver coin into gold coin of the United States. Mr. D. owns gold coin, but does not mean to pay other people's debts with it, but he may be willing to part with it for 12 per cent. premium. And his premium he gets.

At present only the exporters and the importers have trouble about discount. With the Mott Smith law in operation each retail dealer, in fact, everybody who use money, will have trouble and loss in consequence of the discount which will be established between silver and gold coin. The annoyance will be a thousand times greater. Upon the amount of discount paid, it will depend, if other people go into the business of supplying us with more Hawaiian silver dollars or not. With silver at par it would pay them exceedingly well. Our Penal Code says: "Counterfeiting is the making of coin of less intrinsic value than the genuine coin." But even if the making of Hawaiian coin was made criminal it would be impossible to distinguish the Spreckels coin from the later made one. Our only safety from more Hawaiian coin, made without any trouble to us, but making a good deal trouble to us, is a discount of 12 per cent. soon established between our Hawaiian silver dollar and United States gold dollar. But Section 4 is evidently meant to prevent that. What is the equilibrium between gold and silver coins under the provisions of this act? I don't understand. I only understand that the Minister of Finance shall keep something in equilibrium. Look at him; there he stands on the tight rope, with a balancing pole, one side of it is 14 7-8 feet long and the other only 1 foot. Up come the moneyed men and hang their silver on to the short end. Manfully he holds on and transfers it, changed into gold, to the long end of the pole. On the first day of December they make a rush for their gold, but he is a skilled acrobat and keeps hold of his balance-

pole. Now they change their tactics, some give the long end a sudden push upwards, others pull the short end. That is more than even our learned Minister of Finance can stand. Exhausted, he lets go, and the balance-pole hurts that crowd below badly. The great act of equilibrium is *pau*. No more balance, not even in the Treasury. Gentlemen of the Legislature pass a resolution that henceforth *oopihi* shall be a tender for oysters. If you find it effective, then go on and decree that 14½ pound of silver shall buy 1 pound of gold. E. L.

HONOLULU, August 2nd, 1884.

MR. EDITOR: Why is it that we do not hear of the members of the English and Catholic Churches joining in the crusade of persecution and low personalities against Mr. Gibson and his co-workers? The only answer that comes to my mind is that the societies above mentioned must, at least, more fully appreciate the teaching of St. Paul, (Titus, 3-2). "Speak evil of no man; be not brawlers, etc." While many of the members of the church on the corner practice exactly the reverse, in fact. I suppose, from the "Dennis Kearny style" of the editorials of the three papers controlled by the brains of that church, that Mr. Gibson would be burned at the stake, if they could so arrange matters that they would lose no money by the execution of their desires.

I am a respecter of true Christianity, but will always raise my voice when religious liberty is assailed, and as the same spirit is now manifested that prompted Kamehameha III to drive the Catholic missionaries from the land, it is time for every liberal-minded man to enter a protest and call for fair dealing in politics, as well as in other relations of life.

How far they have gone astray from the teaching of their guide in benevolence, charity, good will to man, etc., can be judged by reading any single number of either of the three opposition religious papers printed during the last twelve months. But it must be admitted that the creed of John Calvin has lost none of its cruelty and lack of forgiveness in our fashionable church, if we judge by the editorial evidence above mentioned. And now that their stock of low personalities have all been applied to each member of the Cabinet, separately and collectively, they so far step beyond the borders of decency as to assail His Majesty, and endeavor, by threats, to coerce even him. I suppose before we had a constitutional form of government, and were governed by a comparatively ignorant and superstitious ruler, such methods might have been a success. But now that we have a thoroughly accomplished, intelligent gentleman as a constitutional king, vested with the right of choosing his own advisers and cabinets, threats and vile personalities will not succeed. For your own peace of mind, brethren, as well as for the good of the country at large, you had better adopt more honorable means. Prove to the nation that you have the welfare of the country at heart, and not individual gain. Do not use all of your powers in trying to stop every thing that comes up unless you or yours are the originators.

The wonderful protest from the Opposition is the cause of our present high rate of exchange, and many other evils under which the commercial part of our community is laboring at present. It seems to me that this is another case of Church against State. The former has controlled the State so long that they suppose all truth, honesty and enterprise in the Kingdom belongs to them by the right of age and inheritance, and that it was unfortunate for them that while they were busy praising each other and filling their pockets, that a wide-awake, progressive *old side* arose in its might and overthrew their power (and profits to accrue), and now, while Mr. Gibson and his associates are using every endeavor to make the country prosperous, and as a nation advance with other nations, our Christian friends would lock up their purses and let everything come to a standstill until they could have their own way, and to have their ideas carried out they would take the Bible in one hand and a club in the other. It is the unchristian and hypocritical actions of modern church members the world over that is driving the coming generation into infidelity. NOTA BENE.

## SUPREME COURT—JULY TERM.

SATURDAY, August 2nd, 1884.

The Bench was occupied by the full Court, and a few minutes after 1 o'clock, Keanu, the perpetrator of the foul murder in Kohala, the particulars of which we published last week, was brought to the Bar for sentence. He wore the same stolid and indifferent appearance that he has done since the day of his arrest.

Jailor Tripp brought Keanu into Court, and Deputy Marshal Dayton and an efficient staff of police were in attendance.

On the Chief Justice asking the prisoner if he had anything to say why sentence should not be pronounced upon him, he replied he was not guilty.

Marshal Parke, in a dignified manner, and with a firm voice, commanded the audience to rise and remain silent while the Court

proceeded to pronounce the awful sentence of death upon the prisoner.

Chief Justice Judd said:

Keanu—You have been convicted by a jury of your countrymen of the crime of murder. You were defended by able counsel of your own selection, and every effort has been made by them on your behalf; but the proofs of your guilt are so convincing that the Court in administering the law, can find no just reason for granting you a new trial. It is indicated by the evidence that you planned to take the life of the murdered Japanese in order that you might have his wife; and rode on that fatal morning by an unrequented road to where you met your victim, and with "aloha" on your lips, you smote him down with savage strength, and with repeated blows took his life, and left his body on the highway. The only other lively witness of your crime has detailed minutely each step in this terrible crime. The murdered man was your friend. There is no evidence that he had injured you in any way, and no facts are known to the Court which would tend to extenuate your guilt. The law of the land demands your life as the penalty of this crime. Let me entreat you to spend what remains of your life upon earth in seeking, by true repentance, that pardon and forgiveness which God alone can grant.

Prisoner at the Bar, listen to the sentence of the law against you: The sentence of the Court is, that you, Keanu, be taken hence to the place of your confinement in the prison of Oahu, there to remain until the last Tuesday in the month of October now ensuing, and that on that day, between the hours of eight o'clock in the morning and 12 o'clock at noon, you be hung by the neck, within the walls of the aforementioned prison, until you are dead. And may God have Mercy on Your Soul!

During the delivery of the death sentence, the prisoner stood with his eyes cast downward, and apparently never moved a muscle. He evidently anticipated his fate, notwithstanding his protest of innocence, and probably during the three months that he has to live, he will repent and confess.

## LATEST FOREIGN NEWS.

The P. M. S. S. Australia, Captain R. Ghest, arrived on Sunday. She brings cablegram news to the 20th ultimo. We summarise as follows:

The French claim for an indemnity on account of the Langson (Chinese) affair is still proceeding. It is considered that the prospects of an agreement being arrived at are improving. Meanwhile the French fleet, under Admiral Courbet, remains at Poochow, with the view to holding that place if the French demands are refused.

New York, July 29.—A disastrous railway accident has occurred near Ohio. The train left the rails and fell over an embankment into the water. Twelve persons were drowned, and twenty-five severely injured.

The death is announced of Dr. Hochstetter, the well-known German savant. Also of Sir C. J. Watkin-Williams, Judge of the Queen's Bench, aged 56.

Two deaths have occurred from cholera at Liverpool, on a ship which had arrived from Marseilles.

London, July 18.—Pilgrims who have arrived at Souakim state that when they left Khartoum, General Gordon and his garrison were safe. They expected that Gordon would make a sortie on 20th June.

Another battalion of infantry has been ordered to proceed to Egypt, and the departure of the troops is expected to take place immediately.

With regard to the Colonial postal difficulties, it is announced that New Zealand threatens to impose a sixpenny rate on letters forwarded by the Brindisi route, unless specially addressed. Mr. Fawcett, Postmaster-General, declines to detain letters for Australia so as to oblige the San Francisco mail service.

A dynamite plot against the Czar was recently discovered by the police at Moscow, on the occasion of a visit paid by him to that city. A quantity of arms and dynamite was seized.

A disastrous accident occurred on the Manchester, Sheffield, and Lancashire Railway on the 16th July. The axle of one of the carriages of an express train running from Manchester to Sheffield broke, and the train left the line and fell over an embankment. Twenty persons were killed, and thirty others sustained severe injuries.

The earthquake in "Clandian" at the Princess Theatre, London, requires 80 men to produce the effect, and a great deal is said to depend upon each one of the foreseers.

The production of Robert Buchanan's play "Storm-Beaten," in New York, cost £4,000 before the curtain rose on the first performance.